

# **State of Alaska FY2005 Governor's Operating Budget**

## **Department of Labor and Workforce Development Workers' Compensation Component Budget Summary**

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## Component: Workers' Compensation

### Contribution to Department's Mission

The Workers' Compensation component contributes to the department's mission by ensuring that eligible Alaskan workers are provided adequate medical care, prompt payment of benefits and, if needed, voluntary rehabilitative services.

### Core Services

The Workers' Compensation Act, enacted in 1962, established a Board that helps establish policy, approves regulations and adjudicates disputes between employers and employees.

This component is the administrative arm of the Board, investigating uninsured employers, tracking and recording all aspects of workers' compensation, providing mediation and conducting hearings, and providing information as requested.

### FY2005 Resources Allocated to Achieve Results

**FY2005 Component Budget: \$2,954,000**

**Personnel:**

Full time	35
Part time	0
<b>Total</b>	<b>35</b>

### Key Component Challenges

Further reduce the backlog and time lag in cases that require formal hearing.

Implement the new electronic data interchange system for proof of coverage and develop enhancements to allow for electronic filing of injury and payment reports.

Utilize the new EDI proof of coverage system to monitor policy cancellations and enhance identification and investigation of uninsured employers to enforce compliance with the law.

Continue to research ways to provide benefits to injured workers whose employers were uninsured.

### Significant Changes in Results to be Delivered in FY2005

Increase effectiveness and level of services through efficiencies derived from the new Information Handling System by implementing electronic filing capacity for proof of coverage. This should allow us to decrease staff time spent on proof of coverage data entry.

Reduce further the time lag for workers' compensation hearings.

Reduce further the number of uninsured work place injuries.

### Major Component Accomplishments in 2003

Reduced the time lag for workers' compensation hearings from 175 days to 90 days.

Completed system development and programming necessary to give the division the capacity to accept electronic filing of proof of coverage.

**Statutory and Regulatory Authority**

## Statutory Authority:

AS 23.05.067

AS 23.30.005 - .400

Fees for Administration of Workers' Compensation

Alaska Workers' Compensation Act

## Administrative Regulations:

8 AAC 45.010 - .900

8 AAC 46.010 - .900

Compensation/Medical Benefits &amp; Board Proceedings

Self Insurance

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### Workers' Compensation Component Financial Summary

*All dollars shown in thousands*

	FY2003 Actuals	FY2004 Authorized	FY2005 Governor
<b>Non-Formula Program:</b>			
<b>Component Expenditures:</b>			
71000 Personal Services	2,011.6	2,229.7	2,304.0
72000 Travel	54.8	63.5	63.5
73000 Contractual	290.7	391.1	387.0
74000 Supplies	65.9	65.1	65.1
75000 Equipment	11.1	14.4	14.4
76000 Land/Buildings	0.0	0.0	0.0
77000 Grants, Claims	123.1	124.2	120.0
78000 Miscellaneous	0.0	0.0	0.0
<b>Expenditure Totals</b>	<b>2,557.2</b>	<b>2,888.0</b>	<b>2,954.0</b>
<b>Funding Sources:</b>			
1004 General Fund Receipts	115.0	0.0	0.0
1005 General Fund/Program Receipts	9.0	0.0	0.0
1007 Inter-Agency Receipts	43.0	73.2	76.3
1157 Workers Safety and Compensation Administration Account	2,390.2	2,814.8	2,877.7
<b>Funding Totals</b>	<b>2,557.2</b>	<b>2,888.0</b>	<b>2,954.0</b>

### Estimated Revenue Collections

Description	Master Revenue Account	FY2003 Actuals	FY2004 Authorized	FY2005 Governor
<b>Unrestricted Revenues</b>				
Workers Safety & Compensation Admin	51078	2,390.2	2,814.8	2,877.7
<b>Unrestricted Total</b>		<b>2,390.2</b>	<b>2,814.8</b>	<b>2,877.7</b>
<b>Restricted Revenues</b>				
Interagency Receipts	51015	43.0	73.2	76.3
<b>Restricted Total</b>		<b>43.0</b>	<b>73.2</b>	<b>76.3</b>
<b>Total Estimated Revenues</b>		<b>2,433.2</b>	<b>2,888.0</b>	<b>2,954.0</b>

**Summary of Component Budget Changes  
From FY2004 Authorized to FY2005 Governor**

*All dollars shown in thousands*

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
<b>FY2004 Authorized</b>	<b>0.0</b>	<b>0.0</b>	<b>2,888.0</b>	<b>2,888.0</b>
<b>Adjustments which will continue current level of service:</b>				
-Changes to Retirement and Other Personal Services Rates	0.0	0.0	100.0	100.0
<b>Proposed budget decreases:</b>				
-Delete 2 PFT Administrative Positions No Longer Required Due to Management Efficiencies	0.0	0.0	-50.0	-50.0
<b>Proposed budget increases:</b>				
-Establish the Remaining 3 Months of Funding for a Full Time Position Established by SB 120	0.0	0.0	16.0	16.0
<b>FY2005 Governor</b>	<b>0.0</b>	<b>0.0</b>	<b>2,954.0</b>	<b>2,954.0</b>

### Workers' Compensation Personal Services Information

Authorized Positions			Personal Services Costs	
	<u>FY2004</u> <u>Authorized</u>	<u>FY2005</u> <u>Governor</u>		
Full-time	37	35	Annual Salaries	1,717,390
Part-time	0	0	Premium Pay	0
Nonpermanent	0	0	Annual Benefits	725,188
			<i>Less 5.67% Vacancy Factor</i>	(138,578)
			Lump Sum Premium Pay	0
<b>Totals</b>	<b>37</b>	<b>35</b>	<b>Total Personal Services</b>	<b>2,304,000</b>

### Position Classification Summary

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Administrative Clerk II	4	1	3	0	8
Administrative Clerk III	1	0	1	0	2
Administrative Manager III	0	0	1	0	1
Chf Adjud Worker Comp	1	0	0	0	1
Division Director	0	0	1	0	1
Microfilm Equip Op I	0	0	1	0	1
Reemployment Benefits Adm	1	0	0	0	1
Worker Comp Hearing Off	5	1	2	0	8
Worker Comp Off II	5	1	1	0	7
Worker Comp Technician	3	0	2	0	5
<b>Totals</b>	<b>20</b>	<b>3</b>	<b>12</b>	<b>0</b>	<b>35</b>